

Exhibit 1

Statement of Work



Statement of Work

This Statement of Work, which is effective as of March 17, 2025 (this “SOW”), is made by Ernst & Young LLP (“EY”) and Pet Supplies Plus, LLC (“Client”), pursuant to the Agreement, dated November 3, 2024 (the “Agreement”), between EY and Franchise Group, Inc. which was executed in connection with the Client filing a petition under Chapter 11 of the United States Bankruptcy Code (“Chapter 11”) on or about November 3, 2024 with the United States Bankruptcy Court for the state of Delaware (the “Bankruptcy Court”), and describes certain services that EY will perform for the Client during the Client’s Chapter 11 proceedings. This SOW shall be effective as of March 17, 2025.

This SOW incorporates the Agreement by reference to form a contract. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement.

Scope of Services

EY will provide the following services (the “Services”) to Client for the period ended December 31, 2024:

- Assist Client management with preparation of carve-out tax provisions and balance sheet tax accounts. The Services may include but are not limited to:
 - Advising and documenting an allocation methodology for US tax adjustments on a stand-alone basis, including, but not limited to, interest limitations, net operating losses, and tax credits
 - Analyzing and documenting the tax treatment of pre-tax carve-out adjustments and management adjustments
 - Advising and documenting an allocation methodology for unrecognized tax benefits related to the carve-out entities, including computing interest expense on underlying reserves
 - Assist in preparing a walk from the baseline income tax provision to the final carve-out income tax provision balances
 - Assist Client management with preparing state apportionment and state effective tax rate computations for purposes of estimating a state effective tax rate for the carve-out financial statements.
 - Assist Client management with preparing tax footnotes and other tax-related disclosures.
 - Assist Client management with the external audit of the carve-out tax provision



At Client's request, EY may assist (including with calculations and documentation) with other income tax accounting advisory assistance, including transaction accounting assistance (e.g., business combinations, asset acquisitions, divestitures), accounting for enactment of significant legislative or regulatory changes, adoption of new accounting standards, preparation of supporting tax workpapers, tax provision software preparation, preparation of whitepaper memoranda, and other income-tax-provision-related assistance. EY and Client will agree in writing either through an amendment to this SOW or under a separate statement of work to additional scope and fees prior to commencing work for these additional services.

Deliverables for this project may include live spreadsheets, meeting decks, whitepaper memoranda, and email correspondence. The Services may also include, with Client participation and approval, meetings and communications with Client-identified key stakeholders, including meeting with the external auditors.

Client acknowledges that the Services would not be permissible for an entity under EY audit or its downstream affiliates under the US Securities and Exchange Commission ("US SEC") and Public Company Accounting Oversight Board ("PCAOB") independence standards and may not be permissible under European Union Public Interest Entity ("PIE") or International Ethics Standards Board for Accountants ("IESBA") PIE independence standards. Accordingly, in approving these Services, Client has considered the potential for Client or any Client Affiliate to become a US SEC or other PIE under EY audit and the potential impact on EY's independence.

Client alone is responsible for the scope and sufficiency of the Services.

Client alone is responsible for any decisions to implement actions identified in the Services, including, as necessary, to apply generally accepted accounting principles appropriately and for compliance with applicable regulatory requirements, including the determination of Client's accounting policies. Client is solely responsible for the preparation of Client's financial statements, including making all of the judgments inherent in preparing them. Client is responsible for all management decisions relating to the Services, for the use or implementation of the output of the Services, for determining whether the Services are appropriate and for Client's purposes. Client shall assign a qualified person to oversee the Services.

Client is responsible for notifying Client's independent auditor of the performance of the Services and consulting with them on the application of accounting principles and Client's related accounting policies. Client agrees that EY may make inquiries of Client's independent auditor in connection with the performance of the Services, provided that representatives from Client are present during the discussion. Client will arrange for periodic status meetings (including consultation, as needed) that include representatives from Client, EY and Client's independent auditor.



The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination or other form of attestation per EY's professional standards. Accordingly, EY will not express any form of assurance on accounting matters, financial statements, any financial or other information, or internal controls as part of the Services. EY will not conduct a review to detect fraud or illegal acts.

Other Provisions

Client shall assign a qualified person to oversee the Services. Client is responsible for all management decisions relating to the Services and for determining whether the Services are appropriate for its purposes.

Notwithstanding anything to the contrary in the Agreement or this SOW, EY does not assume any responsibility for any third-party products, programs or services selected by Client, their performance or compliance with Client's specifications or otherwise.

To use EY Interact My Documents ("EYI MyDocs") for collaboration with Client, EY will create a client collaboration workspace with a sharing library to which Client's employees designated by Client and at least one member of the EY engagement team are provided access ("Client Library"). Client may use the Client Library to deposit information and retrieve EY deliverables. EY may establish a number of Client Libraries on the client collaboration workspace where Client and EY can exchange documents and information; everyone with access to a particular library will have access to all documents stored in the library. The client collaboration workspace should not be used as a repository by Client. Client is responsible for informing EY in writing the names and email addresses of Client's employees who are to have access to each EYI MyDocs Client Library and for notifying EY in writing when access for any Client employee is to be removed. Client will provide the name and email address of the Client representative who will inform EY which Client employees are to have access.

EY and other EY Firms may retain and use Client Information for benchmarking, analytics, research and development, thought leadership and related purposes, and to enhance their services, provided that any use does not externally identify, or make reference to, Client. In all such matters, EY and other EY Firms will comply with applicable law and professional obligations.

EY may subcontract a portion of the Services to one or more EY Firms and to subcontractors working under EY's direction who may communicate directly with Client. EY, however, will remain solely responsible to Client for the performance of the Services. If EY has prepared or reviewed (or will prepare or review) Client's U.S. income tax returns, Client authorizes the EY Firms, including those located outside the United States, and EY's subcontractors to disclose information received or generated in connection with the preparation of any such U.S. income tax returns of Client to and



among each other for the purpose of rendering the Services and discussing and providing other services to Client. Client has the ability to request a more limited disclosure of tax return information than that described above. If, at any time, Client would like EY to narrow the scope of the information to be disclosed, please contact EY in writing and EY will limit any disclosures that have not yet occurred. Client acknowledges that this consent will remain valid for three years following the completion of the Services.

Contacts

Client has identified Eric Seeton as Client's contact with whom EY should communicate about these Services. Client's contact at EY for these Services will be Kelly Winfree.

Fees

Client shall pay fees for the Services based on the actual time that EY's professionals spend performing them, billed at the following agreed upon rates for each level while the Services under this SOW are being performed. The estimated range of fees is \$30,000 to \$40,000. EY will promptly notify Client if fees may exceed this estimate. The hourly rates applicable to the Services under this SOW are subject to an annual inflation adjustment based on the Bureau of Labor Statistics Employment Cost Index.

Level	Rate
Partner/Principal	\$900
Managing Director	\$875
Senior Manager	\$750
Manager	\$625
Senior	\$410
Staff	\$275

Client shall also pay any potential value-added taxes (VAT), sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by Client. In addition, a charge will be added to EY's fees reflecting an estimated technology cost incurred equal to 3% of the professional fees for this engagement.



EY will bill Client for EY's fees, expenses, and applicable taxes or other charges, if any, on a monthly basis. Payment is due upon receipt of EY's invoice.

IN WITNESS WHEREOF, EY and Client each caused this SOW to be signed and delivered by its duly authorized representative(s).

Ernst + Young LLP

AGREED:

Pet Supplies Plus, LLC

By: _____

[Signature]
Eric Seeton, Chief Financial Officer

Date: _____

3/18/25